

Testimony  
of  
THE UNITED ILLUMINATING COMPANY  
before the  
ENERGY AND TECHNOLOGY COMMITTEE  
Re  
RAISED HOUSE BILL 5817

AN ACT CONCERNING RESOURCE RECOVERY FACILITIES

LEGISLATIVE OFFICE BUILDING

HARTFORD, CT

March 7, 2008

Good morning, Senator Fonfara, Representative Fontana, and members of the Energy and Technology Committee. My name is Patrick McDonnell and I am the Director of Conservation and Load Management for The United Illuminating Company. I am here today to testify on **Raised House Bill 5817 – An Act Concerning Resource Recovery Facilities**.

There are several provisions of this Bill that require some clarification. The Bill relates to power purchase agreements between resource recovery facilities and electric distribution companies. It is unclear if the Bill would mandate the electric distribution companies to enter into a power purchase agreement with the resource recovery. UI strongly opposes any mandate to contract for the electricity output of a resource recovery facility. However if the Bill were to include a requirement for electricity contracts for these facilities, the contracts should be based on cost of service for the facility and not require electric ratepayers to bear the cost to subsidize tipping fees. Furthermore, Section 8 may preclude any state requirement that the electric distribution companies enter into a power purchase agreement with a facility.

The bill goes on to describe an integrated energy purchasing and efficiency program that would be administered by CMEEC with the goal of providing the lowest possible energy costs for specially designated senior citizens and low income residential customers, which is an approach that UI does not support. Although there does not appear to be a direct linkage between the energy from resource recovery facilities and this program, if that is an intended outcome, UI would suggest that a life line rate as proposed in SB 589 is a better and more direct approach to assist this population of customers. The Company supports the lifeline rate proposed in the SB 589 with certain modifications. Any savings associated with an energy contract for a resource recovery facility could then be used to help offset the cost of offering such the discounted rate contemplated in the Senate bill.

UI has worked closely with the Energy Conservation Management Board in delivering Connecticut's energy conservation programs. This collaborative process has delivered numerous nationally recognized energy efficiency programs that provide significant benefits to Connecticut's consumers. Raised Bill 5817 includes energy efficiency programs that

would not be under the review of the ECMB. This Bill would not allow these programs to benefit from the established stakeholder process. This new process but would also create coordination issues between the two delivery channels – the electric distribution companies and CMEEC.

UI has had the great fortune of being involved in the implementation of a number of important pieces of energy legislation in recent years. All of those legislative initiatives had one very important common theme in that they all required a cost effectiveness test. Intended to protect electric ratepayers from paying for programs that cost more than the benefits they delivered, this simple requirement prevents a well intended bill from resulting in increased costs for ratepayers.

Raised Bill 5817 lacks this important protection for ratepayers. Without this protection, the program costs may greatly exceed any benefits provided and result in an unintended rate increase.

For these reasons The United Illuminating Company opposes HB 5817 in its current form.

Thank you for the opportunity to present these comments. I would be happy to answer any questions.